

1 **ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS**

2 In the Matter of the Mortgage Broker License of: No. 10F-BD118-SBD

3 **LITTLE NACO, L.L.C. DBA NACE**  
4 **FINANCIAL and DONALD E. NACE,**  
5 **MEMBER**

5530 East Exeter Blvd.  
Phoenix, AZ 85018

**ORDER OF SUMMARY SUSPENSION  
AND NOTICE OF OPPORTUNITY FOR  
HEARING**

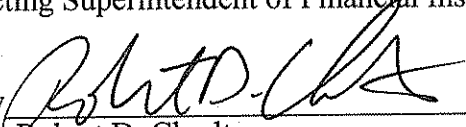
6 Respondents.

7  
8 The Arizona Department of Financial Institutions (the "Department") hereby finds that Little  
9 Naco, L.L.C. DBA Nace Financial and Donald E. Nace, Member, ("Respondents") have violated the  
10 provisions of the Arizona Revised Statutes ("A.R.S."), Title 6 as set forth below and finds that the  
11 public health, safety and welfare require emergency action pursuant to A.R.S. §§ 6-905 and 41-  
12 1092.11(B).

13 **THEREFORE, IT IS ORDERED** to summarily suspend the Arizona mortgage broker  
14 license held by Respondents. **This suspension is effective immediately.**

15 EFFECTIVE this 1<sup>st</sup> day of March, 2010.

16 Thomas L. Wood  
Acting Superintendent of Financial Institutions

17 By   
18 Robert D. Charlton  
19 Assistant Superintendent of Financial Institutions

20  
21 PLEASE TAKE NOTICE that, pursuant to Titles 6 and 41 of the Arizona Revised Statutes  
22 and Title 20, Chapter 4 of the Arizona Administrative Code ("A.A.C."), Respondents are hereby  
23 notified that they are entitled to a hearing to contest the allegations set forth in this Order. The  
24 Request for Hearing shall be filed with the Arizona Department of Financial Institutions (the  
25 "Department") pursuant to A.R.S. § 6-137(D) within **thirty (30) days** of service of this Order and  
26 shall identify with specificity the action or order for which review is sought in accordance with

1 A.R.S. § 41-1092.03(B).

2 Pursuant to A.R.S. §§ 41-1092.01(D) and 41-1092.03(B), any person may appear on his or  
3 her own behalf or by counsel. If Respondents is represented by counsel, the information required by  
4 A.R.S. § 41-1092.03(B) shall be included in the Request for Hearing. Upon the filing of a Request  
5 for Hearing, the Department shall issue a Notice of Hearing scheduling the matter for hearing in  
6 accordance with A.R.S. § 41-1092.05. **Persons with disabilities may request reasonable**  
7 **accommodations such as interpreters, alternative formats, or assistance with physical**  
8 **accessibility.** Requests for special accommodations must be made as early as possible to allow time  
9 to arrange the accommodations. If accommodations are required, call the Office of Administrative  
10 Hearings at (602) 542-9826.

11 Respondents have the right to request an Informal Settlement Conference, pursuant to A.R.S.  
12 § 41-1092.06, by filing a written request no later than **twenty (20) days** before the scheduled  
13 hearing. The conference will be held within **fifteen (15) days** after receipt of your request. If an  
14 Informal Settlement Conference is requested, a person with the authority to act on behalf of the  
15 Department will be present (the "Department Representative"). Please note that in requesting an  
16 Informal Settlement Conference, Respondents waive any right to object to the participation of the  
17 Department Representative in the final administrative decision of this matter, if it is not settled. In  
18 addition, any written or oral statement made by Respondents at such informal settlement conference,  
19 including written documentation created or expressed solely for purposes of settlement negotiations,  
20 are inadmissible in any subsequent administrative hearing. (See A.R.S. § 41-1092.06 for rules  
21 regarding informal settlement conferences.) Conversely, any written or oral statement made by  
22 Respondents outside an Informal Settlement Conference is not barred from being admitted by the  
23 Department in any subsequent hearing.

24 If Respondents do not request a hearing, this Order shall become final. If Respondents  
25 request a hearing, the purpose of the hearing shall be to determine if grounds exist for: (1) the  
26 issuance of an order pursuant to A.R.S. § 6-137 directing Respondents to cease and desist from the

1 violative conduct and to take the appropriate affirmative actions, within a reasonable period of time  
2 prescribed by the Superintendent, to correct the conditions resulting from the unlawful acts,  
3 practices, and transactions; (2) the imposition of a civil monetary penalty pursuant to A.R.S. § 6-  
4 132; (3) the suspension or revocation of Respondent's license pursuant to A.R.S. § 6-905; (4) an  
5 order to pay restitution of any fees earned on loans made in violation of A.R.S. §§ 6-901, *et seq.*,  
6 pursuant to A.R.S. §§ 6-131(A)(3) and 6-137; and (5) an order or any other remedy necessary or  
7 proper for the enforcement of statutes and rules regulating mortgage brokers pursuant to A.R.S. §§  
8 6-123 and 6-131.

### 9 FINDINGS

10 1. Respondent Little Naco, L.L.C. DBA Nace Financial is an Arizona Limited Liability  
11 Company authorized to transact business in Arizona as a mortgage broker, license number MB  
12 0901436, within the meaning of A.R.S. §§ 6-901, *et seq.* The nature of Little Naco, L.L.C. DBA  
13 Nace Financial's business is that of making, negotiating, or offering to make or negotiate loans  
14 secured by Arizona real property, within the meaning of A.R.S. § 6-901(11).

15 2. Pursuant to A.R.S. § 6-903(J), Respondents are required to have a surety bond in the  
16 amount set forth in A.R.S. § 6-903(K), or an alternative as set forth in A.R.S. § 6-903(M).

17 3. On January 4, 2010 and January 15, 2010, the Department received notification from  
18 Financial Pacific Insurance Company stating that Little Naco, L.L.C. DBA Nace Financial's surety  
19 bond, number 91014152 in the amount of \$15,000.00, was to be cancelled effective February 4,  
20 2010.

21 4. On January 14, 2010, the Department sent an email to Respondents, to the email  
22 address on record with the Department, informing them of the bond cancellation. The Department  
23 also sent notification regarding the bond cancellation to Little Naco, L.L.C. DBA Nace Financial via  
24 the Nationwide Mortgage License System.

25 5. Respondents failed to provide documentation regarding the reinstatement of their  
26 bond or documentation of a new surety bond.

6. Respondents do not have the required surety bond in order to conduct business as a mortgage broker.

7. The conduct described above constitutes an immediate threat to the public health, safety, and welfare warranting immediate suspension of Respondent's mortgage broker license.

8. The conduct described above constitutes grounds for the suspension of Respondent's mortgage broker license.

LAW

1. Pursuant to A.R.S. Title 6, Chapter 9, the Superintendent has the authority and duty to regulate all persons engaged in the mortgage broker business and with the enforcement of statutes, rules, and regulations relating to mortgage brokers.

2. By the conduct set forth in the Findings, Respondents have failed to maintain the surety bond required by A.R.S § 6-903(J).

3. Pursuant to A.R.S. §§ 6-905 and 41-1092.11(B), the conduct described above constitutes an immediate threat to the public health, safety and welfare warranting immediate suspension of Respondent's mortgage broker license.

4. Respondents have not conducted business in accordance with the law and have violated Title 6, Chapter 9, which constitutes grounds for the suspension or revocation of Respondent's license pursuant to A.R.S. § 6-905(A)(3).

5. The violations, set forth above, constitute grounds for the pursuit of any other remedy necessary or proper for the enforcement of statutes and rules regulating mortgage brokers in Arizona pursuant to A.R.S. §§ 6-123 and 6-131.


6. Pursuant to A.R.S. § 6-132, Respondent's violations of the aforementioned statutes are grounds for a civil penalty of not more than five thousand dollars (\$5,000.00) for each violation for each day.

WHEREFORE, if Respondents do not request a hearing to contest the above Findings or produce evidence of a valid surety bond, Respondent's license shall remain suspended unless and

1 until reinstated or until said license expires by operation of law.

2 DATED this 1<sup>st</sup> day of March, 2010.

3 Thomas L. Wood  
4 Acting Superintendent of Financial Institutions

5 By   
6 Robert D. Charlton  
7 Assistant Superintendent of Financial Institutions

8 ORIGINAL of the foregoing filed this 1<sup>st</sup>  
9 day of March, 2010, in the office of:

10 Thomas L. Wood  
11 Acting Superintendent of Financial Institutions  
12 Arizona Department of Financial Institutions  
13 ATTN: Susan Longo  
14 2910 N. 44th Street, Suite 310  
15 Phoenix, AZ 85018

16 COPY mailed/delivered same date to:

17 Craig A. Raby  
18 Assistant Attorney General  
19 Attorney General's Office  
20 1275 West Washington  
21 Phoenix, AZ 85007

22 Richard Fergus, Licensing Division Manager  
23 Robert D. Charlton, Assistant Superintendent  
24 Arizona Department of Financial Institutions  
25 2910 N. 44th Street, Suite 310  
26 Phoenix, AZ 85018

AND COPY MAILED SAME DATE, by  
Certified Mail, Return Receipt Requested to:

Little Naco, L.L.C. DBA Nace Financial  
Attention: Donald E. Nace, Member  
5530 East Exeter Blvd.  
Phoenix, AZ 85018  
Respondent

1 Don Nace, Statutory Agent  
2 Little Naco, L.L.C. DBA Nace Financial  
3 5530 E. Exeter Blvd.  
4 Phoenix, AZ 85018

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By: *Ausan Longo*